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the working poor

a statistical profile
prepared by the
national council of welfare

june 1977



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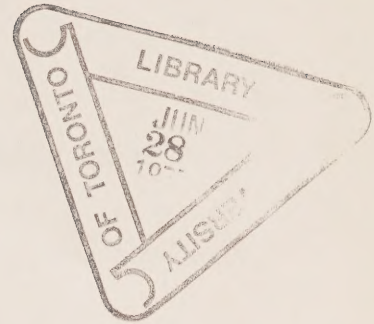


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INTRODUCTION

No myth about poverty is as persistent and widely-held as the belief that the poor do not work. It is repeated in newspaper columns and editorials, proclaimed by many politicians, and accepted by much of the general public. It is tacitly invoked in the frequently-heard argument that the solution to poverty is to provide a minimum income to those of the poor who are "worthy" and cannot work, and to force the rest into jobs.

The myth ignores the reality.

Sixty percent of Canada's poor derive the greatest part of their income from work. These working poor families can be found throughout the country, in each province, in our large cities, small towns and rural areas. However, unlike other groups of the poor, such as single-parent families or the disabled, the working poor have no single characteristic which readily sets them apart and allows them to be easily identified. They are the invisible and silent majority of Canada's poor - the poor that few know or think about.

The purpose of this report is to present some basic statistics on the working poor - where they live, their age, education and family characteristics, how they earn their income. It compares the working poor, as a group, both with the poor who do not work and with Canadians who are not poor.

The data we use is taken from Statistics Canada's 1974 Survey of Consumer Finances.¹ Because the Survey was conducted in mid-1974, the income data it records is for 1973. Some 30,000 individuals and families from across Canada provided information for the Survey.

¹ Statistics Canada, Consumer Income and Expenditure Division, Survey of Consumer Finances, 1974 (Income 1973 - Economic Families) - microdata tape. Computer runs were performed for the Council by the Analytical Services Division, Policy Research and Long Range Planning Branch, Health and Welfare Canada.

Since our concern is with those who work or might be expected to work, we have restricted our analysis to people below the usual retirement age (that is, individuals under 65 and families with no member aged 65 or over). They are often referred to as young family units and make up 21,000 of the families in the Survey of Consumer Finances.² When we speak of families in the report we mean these young family units.

To do an analysis of statistics on the working poor obviously requires a definition of the term. We use "working poor" to mean any economic family³ whose income is below Statistics Canada's revised poverty line⁴ and who earned more than half of that income from wages and salaries or from self-employment. In other words, working poor is a family or single person in poverty who obtained the majority of income from employment. Family units with incomes below the poverty line who obtained less than half their income from employment have been designated as other poor. Family units with incomes above the revised poverty line have been denoted as non-poor. When we refer to "income group" in the tables we mean the division of families into these three categories.

As with any statistical presentation, this report can attempt only to present numbers and to discuss their significance.

² Naturally there were some new family units in 1974 which had not existed in 1973, the year to which the income data applies. These families appear in the Survey as having no income for 1973, and hence are counted as below the low-income cut-off. To prevent a distortion of the data, we have excluded all units with no income from our analysis.

³ This term is used by statisticians to mean any group of individuals sharing a common dwelling unit and related by blood, marriage or adoption.

⁴ We use "poverty line" since it is the commonly-used term. However the technically correct term is "low-income cut-off". For a discussion of the difference, see Statistics Canada, Revision of Low-Income Cut-Offs. The revised low-income cut-offs take both size of area of residence and number of persons in the family into account.

It cannot give the human side, the day-to-day experience of actual families in specific communities. As we proceed into the figures, we should not forget that behind the numbers there are real Canadian families who are working, who are poor, and who must live with all the consequences of poverty.

Persons. They make up 9% of all the young and 60% of the young family units in poverty. Table 1 on the following page shows the number of young family units in each province by income group (that is, working poor, other poor and non-poor) as well as the percentage distribution among the provinces of all young family units and of working poor families. Table 2 gives the percentage distribution, by income group, of families within each province. It also gives the percentage of poor families in each province who are working poor.

As Table 1 shows, the greatest number of the working poor live in Quebec and Ontario - a total of 311,300 family units or 61% of all the working poor in the country. To some extent, of course, this is a reflection of the greater population of these provinces; together they have 63% of all the family units in Canada. However, Quebec has an over-proportional number of Canada's working poor - it has 28% of all family units but 31% of the working poor - while Ontario is markedly under-proportional - 17% of all families but only 10% of the working poor.

Atlantic Canada accounts for 45,800 working poor families - 10% of the national total, although the region contains only 8% of all families in the country. The Prairie provinces, with 107,300 working poor, also have an over-proportional number - 21% of the working poor but 18% of all families taken together. British Columbia is under-proportional - 41,400 working poor or 8% of Canada's total, compared with 11% of all families.

This data demonstrates that every part of Canada has large numbers of working poor families, even the wealthiest provinces with the most paying jobs. It also suggests that the concentration of the

THE VITAL STATISTICS

In 1973 there were 513,400 working poor families and single persons. They made up 9% of all the young family units in Canada, and 60% of the young family units in poverty. Table 1 on the following page shows the number of young family units in each province by income group (that is, working poor, other poor and non-poor) as well as the percentage distribution among the provinces of all young family units and of working poor families. Table 2 gives the percentage distribution, by income group, of families within each province; it also gives the percentage of poor families in each province who are working poor.

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Atlantic Canada accounts for 48,800 working poor families - 10% of the national total, although the region contains only 8% of all families in the country. The Prairie provinces, with 107,300 working poor, also have an over-proportional number - 21% of the working poor but 16% of all families taken together. British Columbia is under-proportional - 41,400 working poor or 8% of Canada's total, compared with 11% of all families.

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TABLE 1

Number of Young Family Units in Each Province by Income Group
and Percentage Distribution Among the Provinces - 1973

Province ⁵	Working Poor	Other Poor	Non- Poor	Percentage of all young family units in Canada	Percentage of all working poor families in Canada
Newfoundland	14,700	13,300	81,400	2%	3%
Nova Scotia	19,000	13,000	150,700	3	4
New Brunswick	15,100	12,700	123,600	3	3
Quebec	158,700	117,200	1,320,900	28	31
Ontario	152,600	98,300	1,898,000	37	30
Manitoba	28,500	17,500	207,500	4	6
Saskatchewan	32,000	11,900	173,200	4	6
Alberta	46,800	24,900	362,000	8	9
British Columbia	41,400	31,000	592,100	11	8
CANADA	513,400	340,900	4,926,800	100%	100%

⁵ The Survey of Consumer Finances does not include the Yukon and Northwest Territories. Data for Prince Edward Island is not given because the sample size is too small for statistical reliability.

TABLE 2

Percentage Distribution of Young Family Units
Within Each Province by Income Group, and
Percentage of Poor Families Who Are Working Poor - 1973

<u>Province</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>	<u>Total</u>	<u>Working poor as a percentage of all poor</u>
Newfoundland	13%	12%	74%	100%	52%
Nova Scotia	10	7	83	100%	60
New Brunswick	10	8	82	100%	54
Quebec	10	7	83	100%	58
Ontario	7	5	88	100%	61
Manitoba	11	7	82	100%	62
Saskatchewan	15	5	80	100%	73
Alberta	11	6	83	100%	65
British Columbia	6	5	89	100%	57
CANADA	9%	6%	85%	100%	60%

working poor varies considerably between the provinces. To obtain a better insight into the latter point we have to turn to Table 2.

In Atlantic Canada, Quebec and the Prairies the proportion of families who are working poor (taken as a percentage of all families in each region) is greater than the national average. The largest difference occurs in Saskatchewan where 15% of families are working poor, compared with the national figure of 9% - a spread of six percentage points. The next largest difference occurs in Newfoundland where 13% of families are working poor. Alberta, Manitoba, Nova Scotia, New Brunswick and Quebec exceed the national average by smaller amounts - from one to two percent. Only Ontario and British Columbia have concentrations below the national average.

For the most part provinces having an above-average concentration of working poor also have an above-average concentration of other poor families. Similarly provinces having below-average proportions of working poor have below-average proportions of the other. However there are notable exceptions.

In Saskatchewan, in spite of the high concentration of working poor, the proportion of other poor families is slightly below the national average (by one percentage point). A similar situation, though less dramatic, holds in Alberta. The working poor make up 73% of all of Saskatchewan's low-income families and 65% of Alberta's - significantly above the national figure of 60%. In these two provinces the working poor form an unusually large portion of the families in poverty.

In Nova Scotia, Quebec, Ontario, Manitoba and British Columbia the proportion of poor families who work (as a percentage of all low-income families) is the same as or close to the national average. It is only in Newfoundland and New Brunswick that the working poor are appreciably under-represented in the low-income population (although, as we've already seen, they are over-represented in both provinces as a percentage of all families).

Size of Place of Residence

The above average concentration of the working poor in Atlantic Canada and the Prairies would suggest that these families are over-represented in rural areas. As the following table shows, this is indeed the case.

TABLE 3

Percentage Distribution of Family Units
Within Each Income Group According to
the Population of their Area of Residence⁶

<u>Population of Area of Residence</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
100,000 or more	50%	49%	55%
30,000-100,000	9	10	10
15,000- 30,000	6	7	7
1,000- 15,000	12	13	10
Under 1,000 and rural	<u>24</u>	<u>21</u>	<u>18</u>
TOTAL	100%	100%	100%

One out of four working poor families lives in small towns and rural areas. For non-poor families the figure is less than one out of five. The working poor are slightly over-represented in larger towns with a population between 1,000 and 15,000. They are slightly under-represented in medium-sized cities of 15,000

⁶ The reader should keep in mind that in this and subsequent tables "family" and "family unit" mean young family unit (i.e., having no person aged 65 or over) and the data is for 1973.

to 100,000, and appreciably under-represented in our largest cities. Nonetheless half of all working poor families can be found in cities with a population over 100,000. The other poor, while distributed along roughly the same lines as the working poor, are somewhat more concentrated in medium-sized cities and large towns, and are less concentrated in rural areas.

Types of Families

Most of the data which we will be examining is based on family units. When this term is used by statisticians it is meant to include more than just families with children. We identify three different types of family units in this report (and the word "family" is meant to encompass all three, unless noted otherwise). These are unattached individuals; families with children, including both one and two-parent families; and other families (for example, childless couples and couples all of whose children have moved away from home, a grandparent raising a grandchild, etc.). The following table shows how each of these family types is distributed among the income groups.

TABLE 4

Percentage Distribution of Each Type of
Family Unit Among the Income Groups - All Ages

<u>Family Type</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>	<u>Total</u>
Unattached Individuals	16%	10%	74%	100%
Families with Children	8	5	87	100
Other Families	4	3	92	100
ALL FAMILY UNITS	9	6	85	100

Unattached individuals are disproportionately represented in both the working poor and other poor categories. The rate of unattached individuals in both groups is double that of families with children. One out of four single persons aged under 65 is in the low-income group; one out of six is working poor. Families with children, in contrast, are slightly under-represented in both the working poor and other poor categories.

This finding, though statistically accurate, does not give the whole story. As we will see in a subsequent section, a large part of the working poor are single young persons aged under 25. Many of these are persons just entering the labor market whose incomes are temporarily low but can be expected to climb appreciably as they advance into better jobs. Some others are students living away from home and working only part-time or for part of the year. While such persons may have an immediate income problem, it is of a markedly different kind than that faced by families with little or no prospect for future increased income. Public policy for dealing with the problems of the two groups would, accordingly, have to be different.

We do not mean to imply, of course, that all young people with low income can be assured of higher future income. Some - perhaps many - young poor will stay poor. However the available statistical data gives us no way of separating those who will from those who won't. The best we can do is examine what happens when we restrict our data to single persons aged over 24 and families whose heads are similarly aged over 24. This is shown in Table 5.

TABLE 5

Percentage Distribution of Each Type of
Family Unit Among the Income Groups - Head
Aged Over 24

<u>Family Type</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>	<u>Total</u>
Unattached Individuals	10%	13%	77%	100%
Families with Children	7	5	88	100
Other Families	4	4	92	100
ALL FAMILY UNITS	7	6	87	100

The over-representation of unattached individuals among the working poor is now very significantly reduced. Moreover the rate for families with children becomes the same as that for all family units. Other families are the only category to be under-represented in the working poor group.

When we examine the distribution of the types of families within each of the income groups, we encounter the same problem created by the large numbers of single young persons among the working poor.

TABLE 6

Percentage Distribution of Family Units Within Each
Income Group According to Type of Family - All Ages

<u>Family Type</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
Unattached Individuals	40%	36%	19%
Families with Children	51	53	61
Other Families	9	11	21
ALL FAMILY UNITS	100%	100%	100%

Unattached individuals are markedly over-represented among the working poor; families with children are under-represented. Again, restricting our data to families whose heads are aged over 24 gives a substantially changed picture.

TABLE 7

Percentage Distribution of Family Units Within Each
Income Group According to Type of Family - Head
Aged Over 24

<u>Family Type</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
Unattached Individuals	24%	35%	15%
Families with Children	67	53	65
Other Families	9	12	19
ALL FAMILY UNITS	100%	100%	100%

Unattached individuals are still over-represented among the working poor even when we restrict our data to persons 25 or older. But the difference between the working poor and the non-poor is only 9 percentage points, in comparison to the 21 percentage point difference in Table 6 which includes persons of all ages. It is interesting to note that among the other poor the percentage of unattached individuals remains the same whether we include or exclude young persons.

Families with children are slightly over-represented among the working poor when we look only at those with heads aged 25 or over. Two out of three of these working poor family units have dependent children - a little above the 65% for the non-poor group and considerably above the 53% of the other poor group. Among the working poor aged over 24, families with children are clearly the largest category.

Size of Families

To examine the size of families, two items of data on families with children have been gathered. The first is the average number of children in the families in each income group. The other is the prevalence of large families (which we've defined as those with four or more children).

TABLE 8

Size of Families with Children

	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
Average number of children per family	2.6	2.5	2.0
Percentage of families having four or more children	24%	24%	12%

Families with children in the two low-income categories are substantially larger than non-poor families. While non-poor families have an average of two children, working poor families have an average of 2.6 - slightly above the 2.5 of the other poor. Low-income families are also much more likely than the non-poor to have four or more children. In fact 24% of all low-income families with children have at least four - in comparison with 12% of the non-poor.

Age of the Family Head

As we've already seen in the discussion of types of families, age of the family head is a very important factor in understanding the characteristics of the working poor. Table 9 shows the distribution of family heads by age among the three income categories.

TABLE 9

Percentage Distribution of Family Heads
by Age Among the Income Groups

<u>Age of Head</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>	<u>Total</u>
Under 25	22%	4%	75%	100%
25-44	8	4	88	100
45-54	6	6	88	100
55-64	6	12	82	100
All ages	9	6	85	100

The over-representation of the under-25 group in the working poor category is striking. Among all family units, about one out of ten is working poor. Among those headed by a person aged under 25, over one out of five - 22% - is working poor, two and a half times the overall rate.

Some explanations have already been suggested for this situation: new entrants into the labor market whose earnings are only temporarily low; students living away from home and working part-time. Both of these factors are valid partial reasons. However given the extraordinarily high rate of unemployment among young people, we cannot assume that they provide the whole answer. Among the 22% of persons under 25 in the working poor group there are undoubtedly many whose poverty is not temporary and most assuredly not voluntary. Their difficulty must be a cause for public concern and government action.

Another striking feature of Table 9 is the over-representation of heads aged 55-64 in the other poor category, with a corresponding under-representation in the working poor category. Older workers, especially those in low-paying marginal jobs, are among the most vulnerable in the labor force. The data suggests that a large number cannot continue to derive the major part of their income from earnings and must turn to other sources - for many, probably government assistance.

Table 10 shows the distribution of family heads within each income group according to age.

TABLE 10

Percentage Distribution of Family Units
Within Each Income Group According
to the Age of the Family Head

<u>Age of Head</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
Under 25	30%	7%	11%
25-44	44	37	51
45-54	14	21	22
55-64	12	35	16
TOTAL	100%	100%	100%

Just under one out of three - 30% - of working poor family units is headed by a person aged under 25. This is far above the 11% figure for the non-poor and the 7% for the other poor. At the other end of the age scale, heads in the 55-64 age group make up over one out of three - 35% - of the other poor category but only 12% of the working poor. Especially for the youngest and the oldest of the poor, age is a major element in determining whether they will be working poor or other poor.

Education of the Family Head

It is generally assumed that there is a relationship between low income and lesser educational achievement, and the data shows this is indeed the case.

TABLE 11

Percentage Distribution of Family Units
Within Each Income Group According to
the Education Level of the Family Head

<u>Education of Head</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
Less than grade 8	35%	54%	24%
Some high school	29	29	30
Completed high school	14	8	18
Post-secondary training and university	22	9	28
TOTAL	100%	100%	100%

Both of the low-income categories are less well educated than the non-poor group. The most striking difference occurs

among heads of other poor families, 54% of whom have less than a grade 8 education; this is well over twice the rate of non-poor families.

Among the working poor over one in three (35%) has less than a grade 8 education - in contrast to one in four (24%) among the non-poor. The working poor are less likely to have completed high school or received any post-secondary training.

The difference in educational achievement among persons of different ages within the working poor category is particularly dramatic, as the following table shows.

TABLE 12

Percentage Distribution of Family Units
In the Working Poor Category According
to the Age and Education Level of
the Family Head

<u>Education of Head</u>	<u>Age of Head</u>		
	<u>Under 25</u>	<u>25-44</u>	<u>45-64</u>
Less than grade 8	10%	37%	62%
Some high school	31	31	23
Completed high school	21	12	9
Post-secondary training and university	38	19	5
	_____	_____	_____
TOTAL	100%	100%	100%

The better educated of the working poor are heavily concentrated in the under-25 group. As we move to the two older age groups we see a marked decline in educational achievement. In the 25-44 age group, 68% - two out of three - have not completed high school; well over half of these have less than a grade 8 education. In the 45-64 age group of the working poor, 85% have not completed high school and 62% have less than a grade 8 education.

We once again encounter a major difference among the working poor based on the age of the family head. The young working poor have a much higher educational achievement; the working poor aged over 25 are much less well educated, and the level of educational achievement declines sharply as age increases.

Sex of the Family Head

The Survey of Consumer Finances lists the male as the head of the family for all childless couples and two-parent families. An analysis based on the sex of the family head, therefore, must be restricted to a comparison between unattached men and women, and between female-headed one-parent families and all male-headed families (i.e., one and two-parent). Table 13 gives data for unattached individuals while Table 14 looks at families with children.

TABLE 13

Percentage Distribution of Unattached Individuals
Among the Income Groups According to Sex

	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>	<u>Total</u>
Women	20%	13%	68%	100%
Men	13	7	80	100

TABLE 14

Percentage Distribution of Families with Children
Among the Income Groups According to the
Sex of the Head

	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>	<u>Total</u>
Female-headed one-parent families	12%	37%	51%	100%
All male-headed families with children	7	3	91	100

Among single women, one out of three (33%) is in the low-income categories; one out of five (20%) is working poor. Among single men, on the other hand, only 20% are in the low-income categories; 13% are working poor. In other words, single women face an over fifty percent greater likelihood than single men of being poor and of being working poor.

The situation of women who are heads of families with children is even worse. Half of all one-parent families headed by a woman are poor; of these, one-fourth are working poor and the remaining three-fourths are in the other poor category. Among male-headed families, in contrast, only one out of ten is in the low-income categories, with 70% of these being working poor and 30% being other poor.

The data clearly demonstrates the economic disadvantage facing women. Whether they live by themselves or are single parents, the likelihood of being poor for a woman who heads a family is very high - indeed, shockingly high. For far too many women who must support themselves and their families, the prospects of escaping poverty are bleak.

INCOME AND ATTACHMENT TO THE LABOR FORCE

In the previous section we looked at some of the basic characteristics of the working poor. In this section we will focus on some important questions related to their income and the extent of their involvement in the labor force. Where does their income come from? In what kinds of occupations do they work? How many wage-earners are in the families? How much of the year do they work?

Sources of Family Income

A family usually receives income from several different sources. A typical working family, for example, would get their main income from wages; but they would also receive some from government transfer programs (for instance, from family allowances) and perhaps some more from investments (bank interest on a savings account, for example).

An examination of sources of family income, therefore, really raises two questions. One is how many families receive any income from each source. The other is, for each family, what is the major source of income - the source from which the greatest amount of income is derived. We'll look at the latter question first.

Major sources of income can be grouped into three categories: earnings from a job; income from self-employment; and other sources (such as government transfer payments, investments, retirement pensions, etc.). The distribution of families by these three categories is given in the following table.

TABLE 15

Percentage Distribution of Families
Within Each Income Group According to
Their Major Source of Income

<u>Sources of Income</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
Wages and Salaries	85%	*	92%
Self-Employment	15	2	5
Other Sources	*	97	3
	<hr/>	<hr/>	<hr/>
TOTAL	100%	100%	100%

* Less than one percent

From our definition of working poor, it is hardly surprising that all the families in this category report earnings (whether from wages or self-employment) as their major source of income. It is also not surprising that almost all the other poor report other sources (usually government transfer payments) most often. What is significant, however, is the high rate of self-employment among the working poor. Fifteen percent of the families in the group give this as their major source of income - three times the rate for non-poor families. From the high concentration of the working poor in rural areas, it is likely that many of the self-employed are marginal farmers and fishermen.

Turning to the other question relating to income sources, Table 16 shows what portion of families in the three income groups receive any income from each source. It should be noted that the columns do not add up to 100% since each family is counted as many times as it has income from different sources.

TABLE 16

Percentage of Families by Income Group
Who Reported Any Income From Each Source

Income Source	Working Poor	Other Poor	Non- Poor
	%	%	%
Earnings:			
Wages and Salaries	89	27	96
Self-Employment	18	3	10
Government Transfers:			
Social Assistance	5	55	2
Family Allowances	48	50	53
Unemployment Insurance	15	12	19
Other Sources:			
Investment or Retirement Income	17	22	48
Miscellaneous	5	11	5

For both the working poor and the non-poor, wages and salaries is the source reported most frequently (89% and 96% respectively). While working poor families list wages and salaries somewhat less often than the non-poor, the percentage reporting income from self-employment is correspondingly higher (18% in the working poor group compared with 10% in the non-poor group).

Only 5% of the working poor report any income from social assistance. Since the Survey of Consumer Finances under-reports social assistance benefits, this figure should be taken as an ap-

proximation. However it does indicate that social assistance is an income source for only a small portion of working poor families. The vast majority are either not eligible, or choose not to apply, for such benefits.

The working poor are less likely than the non-poor to receive either family allowances or unemployment insurance. The family allowance figures can be explained by the respective percentage of families in each group with dependent children.⁷ As we saw previously, there is a higher proportion of families with children in the non-poor group, as a whole, than among the working poor.

The unemployment insurance figures are more interesting. One might expect the working poor to receive these benefits more than the non-poor, but, as the data shows, they do not: Only 15% of working poor families receive any unemployment insurance in comparison with 19% of the non-poor.

Two factors should be taken into account in interpreting these figures. First, since 15% of the working poor derive the major part of their income from self-employment, many are not eligible for benefits from unemployment insurance (which generally excludes the self-employed from its coverage). Among the non-poor, on the other hand, only 5% give self-employment as their major source so a larger proportion are eligible for benefits. Second, as we will see later, non-poor families are more likely to have more than one wage-earner; among these families, therefore, there are probably a large number of secondary earners (spouses or older children) in receipt of unemployment insurance, while among the working poor the beneficiary is more likely to be the family head.

⁷ See Table 6. Since family allowances are only paid for children aged under 18, the higher percentage of families with children in Table 6, compared with families receiving family allowances in Table 16, reflects units all of whose children are 18 or older.

The income sources of the other poor are very different from those of the working poor. Fifty-five percent receive social assistance (again, the actual figure could be higher because of the Survey's under-reporting). Only 27% - about one in four - derive any income at all from wages and salaries, and only 3% receive income from self-employment.

Types of Occupations

The occupational categories used in the Survey of Consumer Finances contain such a diverse collection of jobs that it is difficult to draw anything beyond a very general picture. However a few facts do stand out.

Twelve percent of the heads of working poor families are occupied in farming and fishing. This is more than double the rate for the non-poor (which is only 5%). Working poor family heads are also disproportionately represented in service industries (hotels, restaurants, laundries, etc.): 16% work in such jobs compared with only 8% of the non-poor. In clerical occupations the rate for the working poor is about the same as the non-poor (9% and 10% respectively) and the same holds for sales jobs (where the figure is 9% for both groups). The combination of farming, fishing, services, clerical and sales accounts for half of the jobs of the working poor.

Number of Earners in the Family

The number of wage-earners in a family will obviously affect its income. The following table shows the distribution of two-parent families in each income group according to the number of earners.

TABLE 17

Percentage Distribution of Two-Parent Families
Within Each Income Group by Number of Earners

<u>Number of Earners</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
None	0%	45%	*
One	70	41	37
Two or more	30	14	63
	<hr/>	<hr/>	<hr/>
TOTAL	100%	100%	100%

* Less than one percent

As the data demonstrates, low-income families are much less likely to have two or more earners than non-poor families. This is not totally unpredictable since the combination of two full-time incomes, even at the minimum wage, would put all but the largest families into the non-poor group. Moreover, as we've already seen, low-income families with children, on average, are larger than non-poor families and a quarter of all low-income families with dependents have four or more children. Given the insufficiency of day care facilities, it is no surprise that a great many spouses (undoubtedly wives) must work at home raising children and hence are unable to take a paying job in the labor market.

Work Patterns

Both the stability and the level of a family's income are affected by the number of weeks worked each year by the family head. The more weeks worked, the higher the income a family can expect to receive and the more stable will be the amount of income from month-to-month. Table 18 shows how many weeks were worked by heads of families in each income group.

TABLE 18

Percentage Distribution of Family Units
Within Each Income Group According to the
Number of Weeks Worked per Year by the Head

<u>Weeks Worked</u>	<u>Working Poor</u>	<u>Other Poor</u>	<u>Non- Poor</u>
50 or more	46%	10%	81%
26-49	23	4	13
14-25	15	5	2
1-13	10	9	1
Zero	5	73	3
TOTAL	100%	100%	100%

Heads of families in the working poor group have a very strong attachment to the labor force. Only 5% did not work for any part of the year - somewhat higher than the corresponding figure for the non-poor (3%), but still quite comparable.

The working poor's involvement in the labor force, however, is less stable and secure than the non-poor's. While 81% of non-poor heads work the full year, the corresponding figure for the working poor is 46%. Forty-eight percent of the working poor work some of the year but less than the full year; in the non-poor group the figure is only 16%.

For three out of four other poor families, in contrast, there is no evidence of labor market involvement. In fact it's very surprising that even 10% of these families report a head working the full year. It can only be presumed that most of these must work only a few hours each week.

Another aspect of a family's work pattern is whether the head and spouse work mostly full-time or mostly part-time. Table 19

shows, for those heads and spouses who work at all, the percentage who work mostly full-time. The data for spouses is limited to two-parent families.

TABLE 19

Among Heads and Spouses Who Worked
Percentage Who Worked Mostly Full-time

	<u>Working Poor</u>	<u>Non- Poor</u>
Heads	87%	97%
Spouses (two-parent families only)	49	64

Although the vast majority of heads in the working poor group work mostly full-time, the percentage is still significantly lower than among the non-poor (87% and 97% respectively). The difference among working spouses is even more marked: 49% for the working poor compared with 64% for the non-poor. The problems created by part-time employment are more serious for the working poor than for the non-poor and probably account for the low income of many working poor families.

CONCLUSION

This report is only an initial attempt to identify some of the basic characteristics of Canada's working poor. In spite of all the numbers we've presented, it is clear that much more remains to be learned about this group which constitutes a majority of the country's poor. The limitations of our statistical material have kept us from asking anything beyond the most basic questions on a national level. Nevertheless a general image does emerge:

- In 1973 there were 513,400 working poor families and single persons. They made up 9% of all the young family units in Canada, and 60% of the young family units in poverty.
- These families are found everywhere in Canada. Although they form a disproportionately high percentage of the population in the Atlantic provinces, Quebec and the Prairies, their numbers are substantial in every province. In terms of absolute numbers, 61% live in Quebec and Ontario.
- Among all the working poor, unattached individuals are over-represented in comparison with their proportion in the general population. However when we look only at family units headed by someone 25 or over, families with children predominate. These families, on average, have more children than non-poor families.
- Age of the family head is a very important factor in understanding the characteristics of the working poor. Almost one in three is under 25 years old, and most of these are single persons. Their income problem is apt to be very different from that faced by the working poor who are older - especially those with families to support.

- As a whole the working poor are less well educated than the non-poor. However the younger working poor have a higher level of education than the older, and educational achievement declines sharply as age increases.
- Half of the working poor are employed in farming, fishing, services, clerical and sales jobs.
- Social assistance is an income source for only a small fraction of the working poor. A lesser proportion of the working poor receive unemployment insurance than of the non-poor.
- The working poor have a less stable and secure attachment to the labor force than the non-poor. Only 46% of working poor family heads are employed for the full year in comparison with 81% of non-poor heads. The working poor are more likely than the non-poor to work mostly part-time.

The diversity of individuals and families that make up the working poor clearly indicates that no single government policy can solve all of their problems. This is especially true when the age factor is taken into account.

For the 30% of the working poor who are aged under 25, policies must be directed at the specific difficulties young people face in finding a job, especially a first job. In part these measures can be based on the assumption that many young people have only a temporary income problem which will be solved once they have established themselves in the work force. However governments must realize that many other young people face a problem which is not temporary and which can only be solved by decisive public action.

For the 70% of the working poor who are over 25, very different policies are needed. Most of these people are trapped in jobs which do not provide a sufficient income for their families' needs - jobs which are not like those of the non-poor. They pay inadequate wages, offer few opportunities for advancement, and typically involve the worst working conditions.

To respond to the problems of low-income workers, first and foremost there must be a supplementation program which will guarantee each of them at least a poverty-level income. No single step is more urgently needed. It has been under discussion by federal and provincial governments for four years but nothing has yet been implemented. It is time for talk to cease and action to begin.

Other policies are needed as well - ones designed to ensure the working poor the rights of employment which other working Canadians now enjoy. The Canada /Quebec Pension Plans must be improved to guarantee every worker a secure retirement; labor standards legislation must be strengthened and strictly enforced; direct job-creation programs must be redesigned to provide stable and rewarding employment. The National Council of Welfare's report Jobs and Poverty discusses these proposals at greater length.

The working poor have been ignored too long. The myth that the poor do not work has blinded us to the situation of the half million Canadians who are poor and who do work. Their future depends on the ability and willingness of government to implement measures that address their needs.

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NATIONAL COUNCIL OF WELFARE

The National Council of Welfare was established by the Government Organization Act, 1969 as a citizens' advisory body to the Minister of National Health and Welfare. Its mandate is to advise the Minister on matters pertaining to welfare.

The Council consists of 21 members, drawn from across Canada and appointed by the Governor-in-Council. All are private citizens and serve in their personal capacities rather than as representatives of organizations or agencies. The membership of the Council includes past and present welfare recipients, public housing tenants and other low-income citizens, as well as lawyers, professors, social workers and others involved in voluntary service associations, private welfare agencies, and social work education.

Reports by the National Council of Welfare have dealt with income security, taxation, the working poor, children in poverty, single-parent families, social employment, community organization, nutrition, legal aid/legal services, low-income consumers, poor people's groups and poverty coverage in the press. The Council has offered extensive commentaries on developments in the recently-concluded federal-provincial social security review.

On peut se procurer des exemplaires en français de toutes les publications du Conseil national du bien-être social, en s'adressant au Conseil national du bien-être social, Immeuble Brooke Claxton,
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